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DATA SUPPLEMENT
of the INDIANA BUSINESS REVIEW
A REVIEW OF SELECTED BUSINESS INDICATORS

Volume 55, No. 6 July 1980

INDIANA HOUSING READY FOR RECOVERY

Through May of this year, starts of new homes in Indiana were running at one-half the rate of construction of a year ago. In the first five months of 1980 only 6,776 units were reported started, compared with 13,819 in 1979. (See Table 1.) Unless there is dramatic improvement in the next few months, the industry could be heading for its worst year in two decades.

High mortgage interest rates, credit tightening and the uncertainties of the recession have combined to decrease new construction in housing. Lately, however, mortgage interest rates have moderated and there is reason to believe that the housing market will improve in the months ahead. If that improvement is only as strong as the rebound of 1976, total starts for the year will be approximately 20,000. This would be the lowest number of starts in Indiana since 1960. It will take a significant jump in activity to bring starts up to 27,000 for the year. That number was the lowest level of the entire 1970s.

Some differences in housing activity exist throughout the state. Building permit data reported to the U.S. Bureau of the Census show a statewide decline in residential permits of more than 55 percent. In the two dozen Indiana counties where 100 or more permits were issued from January 1979 to May 1979, Marion County has had the smallest percentage decline (30%) followed by Tippecanoe (38%). Declines of seventy percent or more have been recorded by Delaware, Harrison and Lake Counties. (See Table 2.)

If the decline in mortgage interest rates attracts buyers into the market, the ready availability of construction labor should help lead to a rapid recovery. It is possible that these data for May will prove to be the low point in the year.

Table 1
Indiana Housing Starts

	January-May		*Full Year*
	Number	*Percent of Year*	
1970	9,803	36.4	26,913
1971	14,792	37.4	39,585
1972	16,186	37.2	43,531
1973	19,840	41.5	47,841
1974	14,628	40.0	36,532
1975	11,518	40.0	28,788
1976	12,396	33.9	36,606
1977	14,566	34.4	42,283
1978	17,943	42.1	42,582
1979	13,819	40.9	33,799
Ten Year Average	**14,549**	**38.4**	**37,846**
1980	6,776		?

Table 2
Residential Building Permits Issued
(Counties with 100 or More Permits, January through May, 1979)

	January-May		
County	*1980*	*1979*	*Percent Change*
Allen	193	546	−65
Bartholomew	49	149	−67
Boone	45	117	−62
Clark	90	152	−41
Dearborn	42	110	−62
Delaware	33	116	−72
Elkhart	81	258	−69
Hamilton	122	325	−62
Hancock	39	120	−68
Harrison	32	105	−70
Hendricks	89	237	−62
Johnson	107	244	−56
Kosciusko	50	107	−53
Lake	128	483	−73
LaPorte	64	132	−52
Madison	49	140	−65
Marion	480	688	−30
Monroe	51	122	−58
Morgan	49	100	−51
Porter	138	425	−68
St. Joseph	203	354	−43
Tippecanoe	99	159	−38
Vanderburgh	94	204	−54
Warrick	53	156	−66

MJM

This issue was prepared by Morton J. Marcus, research economist; Sue Mueller, Chris TenEyck, and Louis West, research assistants; Roberta Berry, editor; Karen Scott, typesetter; and Robert Wagner, artist.

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UNITED STATES BUSINESS INDICATORS

Quarterly Data

	Seasonally Adjusted at Annual Rates ($ billions)				*Percentage Change at Annual Rates*			
	Latest Quarter		*Previous Quarter*	*One Year Ago*	*Latest Quarter*		*Previous Quarter*	*One Year Ago*
Gross national product (GNP)	1980:1	2,520.8	2,456.9	2,292.i	1980:1	10.8	10.5	10.6
GNP ($1972)	1980:1	1,444.7	1,440.3	1,430.6	1980:1	1.2	2.0	1.1
GNP potential level ($1972)	1980:1	1,483.8	1,474.7	1,447.6	1980:1	2.5	2.5	2.5
Government purchases	1980:1	517.2	501.2	460.1	1980:1	13.4	21.1	5.7
Personal consumption expenditures	1980:1	1,629.5	1,580.4	1,454.2	1980:1	13.0	14.3	11.4
Private domestic investment	1980:1	387.7	387.2	373.8	1980:1	0.5	– 5.1	3.6
Corporate profits before tax	1980:1	260.4	243.0	233.3	1980:1	31.9	1.2	10.8
Change in business inventories	1980:1	4.7	5.6	19.1	–	–	–	–
Federal surplus–deficit (NIA)	1980:1	– 22.9	– 15.7	– 11.7	–	–	–	–

UNITED STATES BUSINESS INDICATORS (continued)

Monthly Data

		Current Levels or Annual Rates			*Percentage Change at Annual Rates*			
	Latest Month		*Previous Month*	*One Year Ago*	*Latest Month*		*Previous Month*	*One Year Ago*
All urban consumer price index[1]	May	244.7	242.6	214.0	May	10.9	11.6	13.2
All Urban CPI–food[1]	May	249.2	248.4	233.5	May	3.9	6.5	8.0
Producer price index[1] *	May	263.7	262.3	232.0	May	6.6	3.7	10.9
Money Supply[2] †	May	386.2	386.6	369.2	May	– 1.2	–13.2	– 1.3
Money supply plus time deposits[2] ‡	May	1,561.5	1,550.1	1,449.5	May	9.2	– 2.0	7.1
Mobile home shipments[3]	Apr.	201.0	226.0	277.0	Apr.	–75.5	–88.2	19.1
Mortgages–outstanding[4]	May	480.0	480.2	451.0	May	– 0.3	2.8	15.4
Mortgages–new issues[4]	May	38.1	55.0	124.8	–	–	–	–
Mortgage rate–new issues[5]	May	13.7	13.0	10.5	–	–	–	–
Prime rate business loans[5]	June	12.6	16.6	11.7	–	–	–	–

[1] Base period: 1967 = 100
[2] $ billions
[3] Thousands of units
[4] $ billions, all savings and loan associations
[5] Percent

*Not seasonally adjusted
†**Money supply** is now the recently created Money 1B series.
‡**Money supply** plus time deposits is now the recently revised Money 2 series.

UNITED STATES–INDIANA BUSINESS INDICATORS*

(Seasonally adjusted indexes unless otherwise noted; base period: 1967 = 100)

	United States				*Indiana*			
	Latest Month		*Previous Month*	*One Year Ago*	*Latest Month*		*Previous Month*	*One Year Ago*
EMPLOYMENT								
Nonagricultural employment	June	136.9	137.7	136.2	May	124.8	125.4	125.9
Manufacturing employment	June	102.7	104.3	108.3	May	95.5	96.6	104.1
Average weekly hours (no.)†	June	39.4	39.3	40.4	May	39.2	39.4	40.2
Average weekly earnings ($)†	June	282.89	280.21	269.06	May	324.18	326.23	310.75
Nonmanufacturing employment	June	151.2	151.6	147.7	May	144.5	144.3	142.3
Unemployment rate (%)	June	7.7	7.8	5.7	May	11.2	9.1	5.4
Unemployment–married males (%)	June	4.9	4.7	2.7	–	–	–	–
Continued unemployment claims	–	–	–	–	May	538.6	405.1	197.9
PRODUCTION								
Bituminous coal production	Apr.	153.7	149.1	139.4	–	–	–	–
Industrial electricity production	Feb.	156.4	155.0	157.2	–	–	–	–
Industrial electricity sales	–	–	–	–	May	147.3	160.5	173.4
Manufacturing production	May	145.0	148.3	153.8	May	143.0	149.7	155.5
Raw steel production	May	78.9	95.0	109.3	May	92.0	118.3	137.3
CONSTRUCTION								
Construction activity–total	May	282.1	292.5	287.9	May	121.9	158.1	403.9
Residential housing starts	May	71.6	80.9	140.2	May	58.4	61.0	139.8
Residential expenditures	May	308.8	332.9	379.0	May	21.4	58.2	384.8
Nonresidential expenditures	May	269.0	272.8	243.4	May	176.1	202.0	184.2
Public expenditures	May	205.8	211.3	186.1	–	–	–	–
Public works and utilities	–	–	–	–	May	147.8	167.4	810.4
OTHER INDICATORS								
Personal income per capita ($)	Apr.	9,296.40	9,317.20	8,539.00	1979:4	8,977.00	8,742.00	8,098.00
Passenger car sales (thousands)†	June	702.0	697.0	905.0	May	14.9	16.8	26.5
Year to date (thousands)	June	4,655.0	3,953.0	5,687.0	May	85.4	70.5	113.9

*Current indicators are preliminary and subject to revision
†Not seasonally adjusted

SOURCES: Data on Indiana construction from McGraw-Hill Information Systems Company; Indiana passenger car registration from R. L. Polk & Co.; indexes of raw steel production for the United States and Indiana courtesy of American Iron and Steel Institute, Washington, D.C.; all other data from U.S. and Indiana government agencies and Division of Research, School of Business, Indiana University.

INDIANA LOCAL INDICATORS

(Seasonally adjusted indexes; base period: 1967 = 100)

	Continued Unemployment Claims			*Industrial Electricity Sales*		
Reporting Cities	*May 1980*	*Apr. 1980*	*May 1979*	*May 1980*	*Apr. 1980*	*May 1979*
Anderson	1,238.0	701.9	167.7	47.5	140.9	108.4
Bedford	212.9	159.7	100.3	210.6	244.8	224.4
Bloomington	305.8	302.3	211.1	88.4	88.9	87.0
Columbus	324.5	374.2	77.2	161.9	160.6	78.7
Connersville	475.5	224.3	119.9	100.5	131.9	292.3
Crawfordsville	1,523.3	1,082.7	604.6	196.2	194.1	168.9
East Chicago	447.5	374.3	148.7	70.2	83.7	86.3
Elkhart	1,249.6	822.5	500.5	149.9	174.7	169.7
Evansville	248.5	191.7	118.0	143.9	144.4	142.2
Fort Wayne	495.3	410.0	125.9	92.0	97.3	117.4
Frankfort	1,200.8	786.9	505.4	180.2	170.4	166.4
Gary	230.9	170.5	86.7	111.0	149.6	171.0
Goshen	–	–	–	187.8	213.2	224.6
Hammond*	–	–	–	200.6	210.4	217.1
Huntington	894.1	774.4	162.6	136.7	135.4	135.7
Indianapolis	80.8	79.5	49.5	153.4	139.5	151.1
Jeffersonville	–	–	–	162.0	169.2	172.4
Kokomo	875.6	613.7	343.0	161.0	159.4	196.1
Lafayette	611.3	584.4	318.7	276.7	270.2	249.1
LaPorte	758.6	383.1	195.3	192.3	199.7	206.6
Logansport	395.2	221.1	129.6	220.3	209.0	232.4
Madison	537.4	476.8	268.4	135.0	144.3	149.8
Marion	842.4	571.2	219.8	94.8	106.5	119.0
Michigan City	470.0	393.6	215.5	566.1	777.4	199.1
Muncie	365.7	186.7	103.1	88.2	99.9	114.7
New Albany	501.0	545.8	387.9	111.3	116.7	123.0
New Castle	764.1	469.4	205.0	92.4	108.8	171.7
Peru	471.7	283.5	139.5	190.8	230.7	239.0
Richmond	527.7	413.4	246.8	112.4	131.0	132.3
Seymour	559.9	564.6	109.9	156.1	164.3	165.8
South Bend	565.8	393.9	182.0	111.1	126.1	135.1
Terre Haute	356.0	280.6	167.7	193.4	215.3	205.0
Valparaiso	–	–	–	197.3	205.5	205.7
Vincennes	289.7	265.6	132.1	100.8	109.5	135.4
Wabash	797.8	364.8	181.3	159.8	164.6	179.9

*Continued unemployment claims of East Chicago and Hammond are combined.

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of the INDIANA BUSINESS REVIEW
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CAN WE LEARN FROM THE 1974-75 RECESSION?

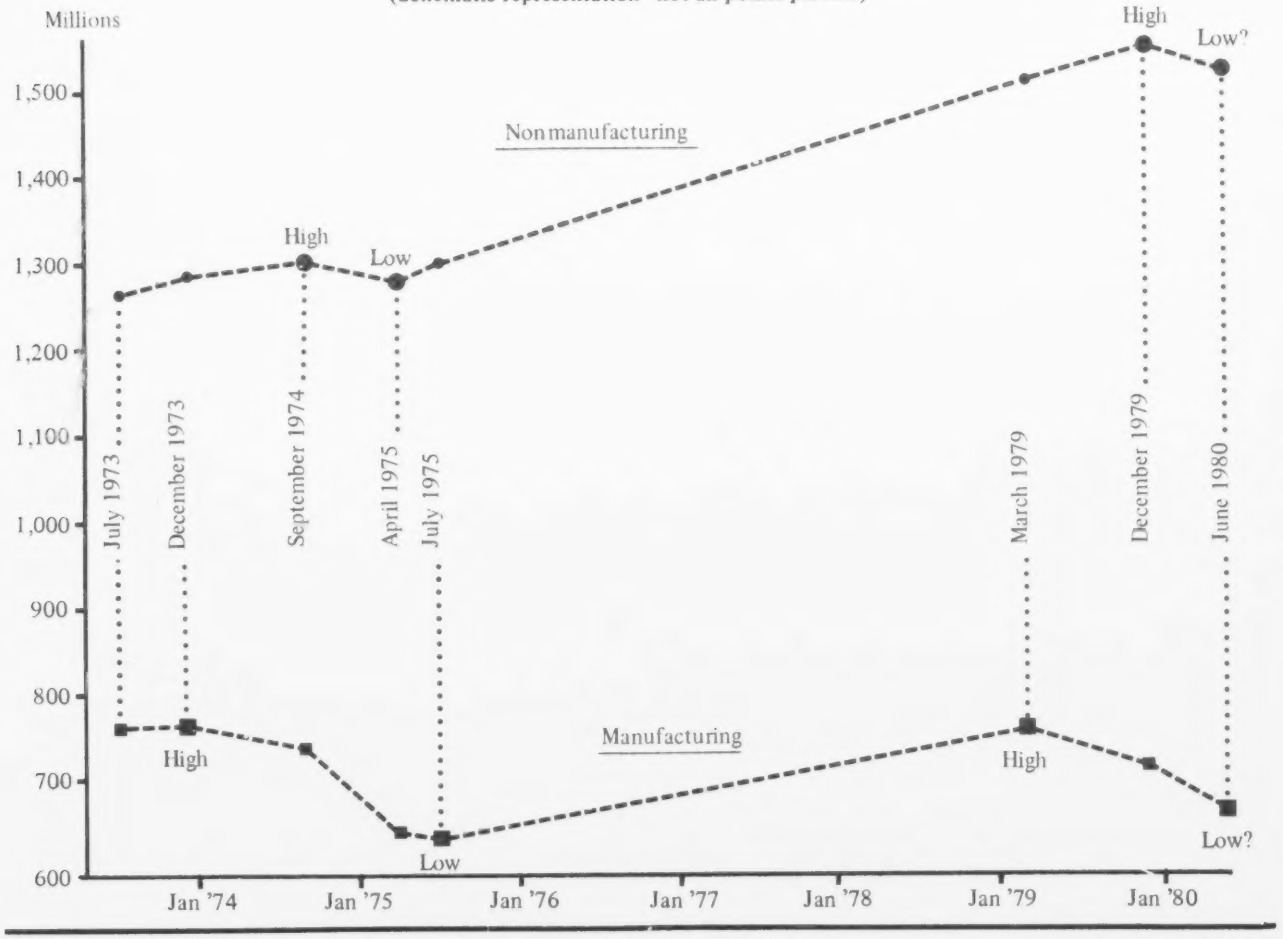
Have we reached bottom?

If the experience of the preceding recession is a guide, **nonmanufacturing employment** will rise before manufacturing employment begins to recover. In the recession of 1974-75, Indiana nonmanufacturing employment declined from a peak of 1,304,200 in September 1974 to a low seven months later, in April 1975, of 1,281,100—a loss of 23,100 jobs. (These data are adjusted for seasonal variations.) The decline in this current recession is very similar. Nonmanufacturing jobs fell from a peak of 1,550,900 in December 1979 to 1,524,000 by June 1980, a loss of 26,900 jobs in the Indiana economy in a six-month period. The overall percentage decline in nonmanufacturing employment in the previous recession was 1.77 percent; through June of this year the current recession accounted for just about the same percentage decline, 1.73 percent.

Since recessions, like hurricanes, do not follow highly predictable courses, Indiana's experience in the 1974-75 recession may not be an accurate guide to the present. But the duration and extent of the decline presently borne by the non-

(continued on page 2)

Indiana Employment (Monthly data, seasonally adjusted)
(Schematic representation—not all points plotted)



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(continued from page 1)

manufacturing sector of the Hoosier economy just about equals that of the last recession; therefore, we may have seen the low point for Indiana nonmanufacturing employment in the current recession.

Should history repeat itself, we would not expect to see the previous peak in nonmanufacturing employment surpassed until January or February of 1981. The rise from the trough of the last recession until the September 1974 peak level was passed took eight months, until December 1975.

The decline in manufacturing employment in this recession, as in the earlier recession, is of longer duration. In the 1974-75 recession, Indiana's manufacturing employment peaked in December 1973 at 767,600 jobs and then began a nineteen-month slide, reaching bottom in July 1975 at 629,600 jobs. This decline represented 138,000 Hoosier jobs, or 18 percent of those employed. Even after employment in other areas began to climb, manufacturing employment continued its downward movement for three additional months.

In this current recession, Indiana manufacturing employment has been declining for sixteen months. The manufacturing employment peak was reached in March 1979 at 757,300 jobs. Through June of this year the decline has been 12.4 percent or 93,600 jobs. Thus, to date, the drop in Indiana manufacturing employment in this recession has yet to equal either the length or the magnitude (absolute or relative) of the decline in 1974-75. But it could be that the pattern of the past recession will repeat itself and that manufacturing employment will not reach its lowest point until September of this year. That is, the bottom in manufacturing employment may still be ahead of us.

After the 1974-75 recession Indiana did not again reach the peak of manufacturing employment attained in December 1973. This current recession started with manufacturing employment 10,300 *below* that 1973 peak level. Will the 1979-80 recession also cause a permanent loss of manufacturing jobs in Indiana?

MJM

Revised Construction Indices, Indiana, 1980

The following data replace previously published index numbers for Indiana construction activity for 1980. Data for May and June of 1980 appear on page 3 of this issue.

Revised Construction Figures for Indiana, 1980

	Jan.	*Feb.*	*Mar.*	*Apr.*
Construction activity–total	274.8	274.5	273.0	238.5
Residential housing starts	104.5	63.3	71.6	51.0
Residential expenditures	331.9	294.2	271.7	223.6
Nonresidential expenditures	234.9	236.8	244.5	252.7
Public expenditures	–	–	–	–
Public works and utilities	277.6	269.1	271.2	208.5

CTE

MAN-HOURS IN INDUSTRIAL PRODUCTION

	United States (Seasonally adjusted data)				Indiana (Seasonally adjusted data)			
		Latest Month (millions)	*Percent Change From One Month Ago*	*Percent Change From One Year Ago*		*Latest Month* (thousands)	*Percent Change From One Month Ago*	*Percent Change From One Year Ago*
Manufacturing	**June**	**780.1**	**–2.2**	**– 7.8**	**June**	**25,696.4**	**–4.3**	**–14.9**
Food	June	64.7	–1.9	– 3.5	June	1,455.4	–3.0	– 6.5
Apparel and textiles	June	78.7	–1.6	– 3.7	June	433.6	–0.6	– 3.5
Lumber and wood	June	24.1	–1.8	–20.2	June	685.1	–4.0	–21.5
Furniture	June	16.8	–4.6	–11.5	June	782.2	–3.6	–10.1
Paper	June	28.3	–1.6	– 5.3	June	578.0	–1.7	– 7.0
Printing	June	46.6	–1.0	0.6	June	1,181.5	–4.3	– 4.2
Chemicals	June	45.3	–2.7	– 2.4	June	1,204.2	–3.8	– 3.6
Petroleum and products	June	8.6	–1.0	– 4.6	June	186.7	7.6	– 8.1
Rubber and plastics	June	27.1	–2.2	–14.8	June	1,220.8	–4.1	–13.9
Stone, clay and glass	June	25.9	–2.5	–11.7	June	871.2	–6.8	–15.7
Primary metals	June	42.5	–5.2	–18.0	June	3,679.3	–7.6	–21.9
Fabricated metals	June	62.5	–3.3	–11.1	June	2,222.9	–1.2	–14.3
Nonelectrical machinery	June	100.4	–2.5	– 3.9	June	2,957.8	–4.8	–12.6
Electrical machinery	June	81.6	–2.7	– 4.9	June	3,970.7	–1.0	–15.7
Transport equipment	June	71.6	–0.5	–16.0	June	3,379.5	–7.1	–20.6

UNITED STATES BUSINESS INDICATORS

Quarterly Data

	Seasonally Adjusted at Annual Rates ($billions)				*Percentage Change at Annual Rates*			
	Latest Quarter		*Previous Quarter*	*One Year Ago*	*Latest Quarter*		*Previous Quarter*	*One Year Ago*
Gross national product (GNP)	1980:2	2,523.4	2,520.8	2,329.8	1980:2	0.4	10.8	6.7
GNP ($1972)	1980:2	1,410.8	1,444.7	1,422.3	1980:2	– 9.1	1.2	– 2.3
GNP potential level ($1972)	1980:1	1,483.8	1,474.7	1,447.6	1980:1	2.5	2.5	2.5
Government purchases	1980:2	527.0	517.2	466.6	1980:2	7.8	13.4	5.8
Personal consumption expenditures	1980:2	1,628.2	1,629.5	1,475.9	1980:2	– 0.3	13.0	6.1
Private domestic investment	1980:2	366.9	387.7	395.4	1980:2	–19.8	0.5	25.2
Corporate profits before tax	1980:1	260.4	243.0	233.3	1980:1	31.9	1.2	10.8
Change in business inventories	1980:2	11.7	4.7	33.4	1980:2	–	–	–
Federal surplus–deficit (NIA)	1980:1	– 22.9	– 15.7	– 11.7	1980:1	–	–	–

UNITED STATES BUSINESS INDICATORS (continued)

Monthly Data

		Current Levels or Annual Rates				Percentage Change at Annual Rates		
	Latest Month		Previous Month	One Year Ago	Latest Month		Previous Month	One Year Ago
All urban consumer price index[1]	June	247.1	244.7	216.2	June	12.4	10.9	13.1
All urban CPI – food[1]	June	250.5	249.2	234.2	June	6.4	3.9	3.7
Producer price index[1]*	June	265.2	263.7	233.5	June	7.0	6.6	8.0
Money supply[2]†	June	390.9	386.2	373.9	June	15.6	– 1.2	16.4
Money supply plus time deposits[2] ‡	June	1,584.5	1,562.3	1,465.9	June	18.4	10.1	14.5
Mobile home shipments[3]	May	162.0	201.0	282.0	May	–92.5	–75.5	23.9
Mortgages–outstanding[4]	May	480.0	480.2	451.0	May	–0.3	2.8	15.4
Mortgages–new issues[4]	May	38.1	55.0	124.8	–	–	–	–
Morgage rate–new issues[5]	June	12.7	13.7	10.7	–	–	–	–
Prime rate business loans[5]	June	12.6	16.6	11.7	–	–	–	–

[1] Base period: 1967 = 100
[2] $ billions
[3] Thousands of units
[4] $ billions, all savings and loan associations
[5] Percent

*Not seasonally adjusted
†**Money supply** is now the recently created Money 1B series.
‡**Money supply plus time deposits** is now the recently revised Money 2 series.

UNITED STATES–INDIANA BUSINESS INDICATORS*

(Seasonally adjusted indexes unless otherwise noted; base period: 1967 = 100)

	United States				Indiana				
	Latest Month		Previous Month	One Year Ago	Latest Month		Previous Month		One Year Ago
EMPLOYMENT									
Nonagricultural employment	June	136.9	137.7	136.7	June	124.6	124.6		125.6
Manufacturing employment	June	102.7	104.3	108.7	June	92.6	95.1		103.8
Average weekly hours (no.)†	June	39.4	39.3	40.4	June	39.1	39.2		40.9
Average weekly earnings ($)†	June	282.89	280.21	269.47	June	329.22	326.93		319.84
Nonmanufacturing employment	June	151.2	151.6	148.3	June	143.6	144.6		142.2
Unemployment rate (%)	June	7.7	7.8	5.7	June	11.8	11.2		5.7
Unemployment–married males (%)	June	4.9	4.7	2.7	–	–	–		–
Continued unemployment claims	–	–	–	–	June	649.4	538.6		188.4
PRODUCTION									
Bituminous coal production	May	143.1	153.7	133.2	–	–	–		–
Industrial electricity production	Feb.	156.4	155.0	157.2	–	–	–		–
Industrial electricity sales	–	–	–	–	June	114.5	147.3		172.1
Manufacturing production	June	140.3	144.2	153.9	June	137.1	143.0		156.3
Raw steel production	June	66.9	78.9	109.4	June	78.5	92.0		146.7
CONSTRUCTION									
Construction activity–total	May	282.1	292.5	287.9	June	214.7	223.8		369.1
Residential housing starts	June	92.7	71.1	148.7	June	63.4	58.4		126.6
Residential expenditures	May	308.8	332.9	379.0	June	174.9	187.2		384.2
Nonresidential expenditures	May	269.0	272.8	243.4	June	246.7	252.2		193.1
Public expenditures	May	205.8	211.3	186.1	–	–	–		–
Public works and utilities	–	–	–	–	June	204.1	206.7		680.8
OTHER INDICATORS									
Personal income per capita ($)	May	9,333.40	9,316.60	8,582.00	1980:1	9,159.00	*79.4* 8,977.00	*79:1*	8,387.00
Passenger car sales (thousands)†	June	702.0	697.0	905.0	May	14.9	16.8		26.5
Year to date (thousands)	June	4,655.0	3,953.0	5,687.0	May	85.4	70.5		113.9

*Current indicators are preliminary and subject to revision
†Not seasonally adjusted

SOURCES: Data on Indiana construction from McGraw-Hill Information Systems Company; Indiana passenger car registration from R.L. Polk & Co.; indexes of raw steel production for the United States and Indiana courtesy of American Iron and Steel Institute, Washington, D.C.; all other data from U.S. and Indiana government agencies and Division of Research, School of Business, Indiana University.

INDIANA LOCAL INDICATORS

(Seasonally adjusted indexes; base period: 1967 = 100)

	Continued Unemployment Claims			*Industrial Electricity Sales*		
Reporting Cities	*June 1980*	*May 1980*	*June 1979*	*June 1980*	*May 1980*	*June 1979*
Anderson	1,456.6	1,238.0	139.9	43.4	47.5	137.5
Bedford	288.2	212.9	99.7	190.5	210.6	238.5
Bloomington	359.0	305.8	190.9	87.4	88.4	79.9
Columbus	539.9	324.5	85.9	152.1	161.9	180.1
Connersville	804.2	475.5	122.2	97.5	100.5	120.5
Crawfordsville	2,002.7	1,523.3	697.0	170.5	196.2	193.5
East Chicago	705.8	447.5	165.0	78.4	70.2	79.7
Elkhart	1,560.9	1,249.6	729.5	147.1	149.9	155.6
Evansville	320.9	248.5	98.8	139.2	143.9	136.0
Fort Wayne	521.7	495.3	110.2	90.9	92.0	113.1
Frankfort	1,737.2	1,200.8	548.1	153.3	180.2	167.0
Gary	295.0	230.9	112.4	116.4	111.0	169.7
Goshen	–	–	–	164.9	187.8	208.7
Hammond*	–	–	–	196.1	200.6	204.6
Huntington	801.3	894.1	199.2	140.9	136.7	135.3
Indianapolis	109.7	80.8	53.1	145.5	153.4	151.7
Jeffersonville	–	–	–	163.0	162.0	165.9
Kokomo	1,065.6	875.6	436.4	158.0	161.0	197.2
Lafayette	893.0	611.3	335.1	267.5	276.7	251.5
LaPorte	1,050.0	758.6	309.1	191.7	192.3	209.7
Logansport	656.5	359.2	111.3	148.0	220.3	238.5
Madison	656.9	537.4	331.3	122.9	135.0	137.1
Marion	1,065.0	842.4	213.8	100.6	94.8	118.0
Michigan City	782.3	470.0	276.7	438.1	566.1	727.9
Muncie	382.9	365.7	114.3	87.3	88.2	111.1
New Albany	700.5	501.0	412.1	114.3	111.3	119.2
New Castle	761.0	764.1	231.3	108.6	92.4	156.1
Peru	541.5	471.7	148.5	184.6	190.8	230.3
Richmond	635.2	527.7	269.3	112.9	112.4	129.0
Seymour	886.1	559.9	131.4	153.2	156.1	162.4
South Bend	644.4	565.8	184.5	116.7	111.1	124.5
Terre Haute	462.0	356.0	163.2	182.4	193.4	189.8
Valparaiso	–	–	–	200.3	197.3	200.7
Vincennes	361.5	289.7	121.6	108.6	100.8	104.3
Wabash	1,361.9	797.8	194.1	141.6	159.8	182.5

*Continued unemployment claims of East Chicago and Hammond are combined.

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Division of Research
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625 N. Jordan
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DATA SUPPLEMENT
of the INDIANA BUSINESS REVIEW
A REVIEW OF SELECTED BUSINESS INDICATORS

Volume 55, No. 8 September 1980

POSITIVE SIGNS CONTINUE

Figure 1

Indiana Housing Starts (not seasonally adjusted)

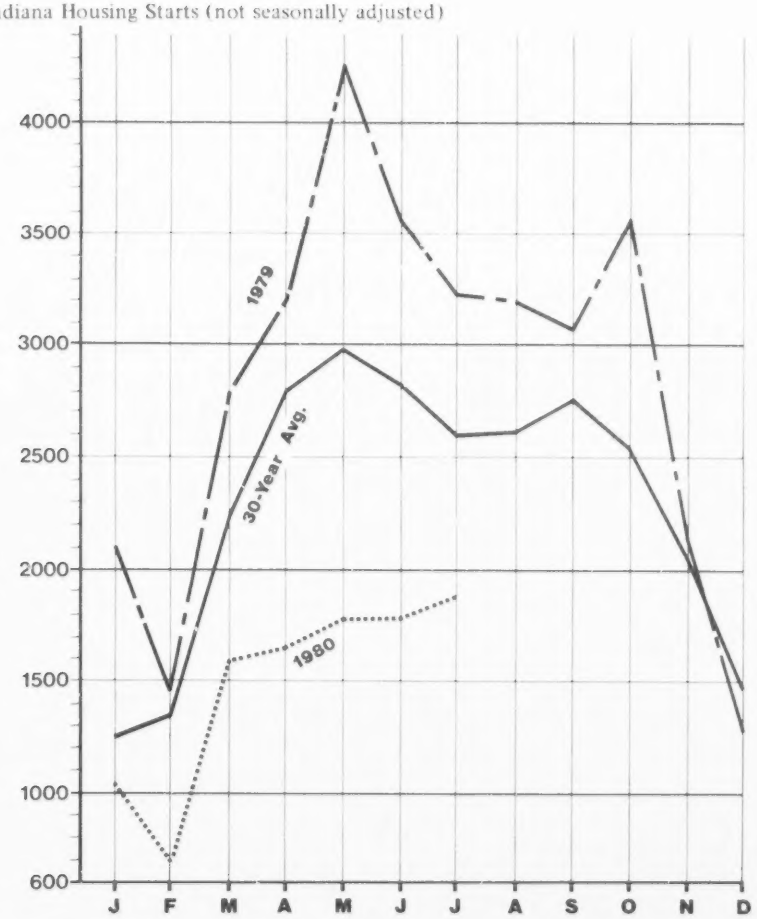

Table 1

Indiana Housing Starts (not seasonally adjusted)

	1980	1979	30-year average		1980	1979	30-year average
January	1,048	2,098	1,250	July	1,870	3,215	2,597
February	695	1,443	1,350	August		3,191	2,606
March	1,592	2,796	2,216	September		3,054	2,754
April	1,655	3,202	2,808	October		3,561	2,528
May	1,786	4,280	2,962	November		2,153	2,054
June	1,781	3,554	2,818	December		1,253	1,472

Economic indicators reported in this issue of the *Data Supplement* continue to point to a remission from the recession of 1979-80. Although the strength of these signs of an end to the recession is not great, when they are coupled with the national indicators that were released in the press in the past few weeks, they show that the downward movement of the economy appears to have been arrested.

Housing starts in Indiana numbered 1,870 in July, up from 1,781 in June. This modest 5 percent increase is not impressive until adjustment is made for the seasonality of housing activity. When the figures are adjusted for seasonal variations, the rise in housing starts in July is 18 percent. Nonetheless, housing starts remain well below 1979 levels. Indiana housing starts for July 1980 were down 42 percent from the level of July 1979, and were 28 percent below the average level for July as recorded in this state over the past 30 years (see Table 1 and Figure 1). Cumulative housing starts in Indiana total 10,427 for the first seven months of 1980. Through July of last year, housing starts totaled 20,588, nearly double this year's activity.

This will be the worst year since 1970 for housing starts unless the state averages 3,300 starts per month for the remainder of the year. To accomplish that feat, Indiana housing starts need to exceed the 1979 rate by only 2 percent per month for the last five months of the year, but that would mean a major rush of housing activity, doubling the rate of starts the state has recorded thus far.

Manufacturing man-hours continued to decline in July, but the signs of a turnabout are evident nonetheless. In June of this year only one of 15 manufacturing industries showed an increase in man-hours. By July there were five industries with increased man-hours (seasonally adjusted). In July, although ten industries still experienced declines in man-hours, nine of these had smaller declines than in the preceding month. In June, with 14

(continued on page 2)

This issue was prepared by Morton J. Marcus, research economist; Dan Darnley, Frank Kushman, and Chris C. TenEyck, research assistants; Roberta Berry, editor; Mary Lynn Jedlicka, proof and layout; Linda Black, typesetter; and Robert Wagner, artist.

Information appearing in the *Data Supplement* of the *Indiana Business Review*, unless otherwise noted, is derived from material obtained by the Division of Research for instruction in the School of Business and for studies published by the Division.

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(continued from page 1)

industries showing declines, eight had accelerating declines while six had decreased declines. Thus, the state's critical manufacturing sector shows improvements either through direct advances or a deceleration in the decline. The turnabout is evident in the accompanying box. Accelerated advances outnumber the decelerated advances by four to one; Decelerated declines outnumber accelerated declines by nine to one. This dispersion of improvement is itself encouraging. Unfortunately, the five industries with improvements (the left side of the box) account for only 15 percent of total man-hours in industrial production in the state. Thus, the overall picture is still one of continuing decline. Since January of this year, man-hours in Hoosier manufacturing have fallen by 13.3 percent from 29.3 million to 25.4 million in July.

July Experience of Indiana Manufacturing Industries	
Advancing at an increasing rate	*Declining at a decelerating rate*
Apparel & textiles Lumber & wood Printing Stone, clay & glass	Food Furniture Paper & products Chemicals Rubber & plastics Primary metals Nonelectric machinery Electrical machinery Transportation equipment
Advancing at a decreasing rate	*Declining at an accelerating rate*
Petroleum & products	Fabricated metals

MJM

MAN-HOURS IN INDUSTRIAL PRODUCTION

		United States (Seasonally adjusted data)				Indiana (Seasonally adjusted data)			
		Latest Month (millions)	*Percent Change From One Month Ago*	*Percent Change From One Year Ago*		*Latest Month (thousands)*	*Percent Change From One Month Ago*	*Percent Change From One Year Ago*	
Manufacturing	**July**	**771.0**	**– 1.3**	**– 8.9**	**July**	**25,364.0**	**– 1.0**	**– 16.0**	
Food	July	63.6	– 1.7	– 4.9	July	1,404.9	– 1.3	– 9.2	
Apparel and textiles	July	76.7	– 2.0	– 6.7	July	441.6	1.6	– 3.0	
Lumber and wood	July	24.7	1.0	– 17.7	July	692.7	1.7	– 20.6	
Furniture	July	16.6	– 2.5	– 13.2	July	758.3	– 2.3	– 14.0	
Paper	July	28.0	– 0.7	– 6.7	July	576.4	– 1.2	– 9.0	
Printing	July	46.6	– 0.2	0.2	July	1,189.6	1.0	– 8.7	
Chemicals	July	45.1	– 0.9	– 3.1	July	1,242.4	– 0.5	– 0.8	
Petroleum and products	July	8.7	3.3	– 3.4	July	196.3	5.1	– 2.3	
Rubber and plastics	July	26.8	– 0.2	– 16.7	July	1,209.6	– 1.1	– 19.9	
Stone, clay and glass	July	26.0	– 0.2	– 11.1	July	895.7	2.6	– 12.7	
Primary metals	July	39.9	– 6.1	– 23.3	July	3,526.7	– 2.6	– 25.3	
Fabricated metals	July	60.8	– 3.2	– 13.4	July	2,140.9	– 3.7	– 17.8	
Nonelectrical machinery	July	99.6	– 1.1	– 5.2	July	2,902.7	– 1.5	– 12.9	
Electrical machinery	July	80.7	– 1.1	– 6.0	July	3,925.2	– 0.4	– 16.2	
Transport equipment	July	72.3	0.6	– 15.4	July	3,348.9	– 1.1	– 20.0	

UNITED STATES BUSINESS INDICATORS

Quarterly Data

		Seasonally Adjusted at Annual Rates ($ billions)			*Percentage Change at Annual Rates*			
		Latest Quarter	*Previous Quarter*	*One Year Ago*	*Latest Quarter*		*Previous Quarter*	*One Year Ago*
Gross national product (GNP)	1980:2	2,524.6	2,520.8	2,329.8	1980:2	0.6	10.8	6.7
GNP ($1972)	1980:2	1,410.9	1,444.7	1,422.3	1980:2	– 9.0	1.2	– 2.3
GNP potential level ($1972)	1980:1	1,483.8	1,474.7	1,447.6	1980:1	2.5	2.5	2.5
Government purchases	1980:2	528.3	517.2	466.6	1980:2	8.9	13.4	5.8
Personal consumption expenditures	1980:2	1,628.6	1,629.5	1,475.9	1980:2	– 0.2	13.0	6.1
Private domestic investment	1980:2	370.3	387.7	395.4	1980:2	– 16.8	0.5	25.2
Corporate profits before tax	1980:2	208.8	260.4	227.9	1980:2	– 58.7	31.9	– 8.9
Change in business inventories	1980:2	13.6	4.7	33.4	–	–	–	–
Federal surplus–deficit (NIA)	1980:2	– 48.0	– 22.9	– 7.0	–	–	–	–

UNITED STATES BUSINESS INDICATORS (continued)

Monthly Data

		Current Levels or Annual Rates			Percentage Change at Annual Rates			
		Latest Month	Previous Month	One Year Ago	Latest Month		Previous Month	One Year Ago
All urban consumer price index[1]	July	247.1	247.1	218.5	July	0.0	12.4	13.5
All urban CPI–food[1]	July	252.9	250.5	235.3	July	12.1	6.4	5.8
Producer price index[1]*	July	269.8	265.2	236.9	July	22.9	7.0	18.9
Money supply[2]†	July	394.5	390.9	377.4	July	11.6	15.6	11.8
Money supply plus time deposits[2]‡	July	1,607.9	1,585.6	1,478.3	July	18.2	19.3	10.6
Mobile home shipments[3]	June	163.0	162.0	283.0	June	7.7	92.5	4.3
Mortgages–outstanding[4]	July	483.0	481.2	460.6	July	4.6	2.8	11.3
Mortgages–new issues[4]	July	68.3	49.6	112.8	–	–	–	–
Mortgage rate–new issues[5]	July	12.5	12.7	10.8	–	–	–	–
Prime rate business loans[5]	July	11.5	12.6	11.5	–	–	–	–

[1] Base period: 1967 = 100
[2] $ billions
[3] $Thousands of units
[4] $ billions, all savings and loan associations
[5] Percent

*Not seasonally adjusted
†**Money supply** is now the recently created Money 1B series.
‡**Money supply plus time deposits** is now the recently revised Money 2 series.

UNITED STATES–INDIANA BUSINESS INDICATORS*

(seasonally adjusted indexes unless otherwise noted; base period: 1967 = 100)

		United States			Indiana			
EMPLOYMENT		Latest Month	Previous Month	One Year Ago	Latest Month		Previous Month	One Year Ago
Nonagricultural employment	July	136.4	136.8	136.9	July	122.7	123.5	125.6
Manufacturing employment	July	101.5	102.8	108.6	July	92.0	92.4	103.3
Average weekly hours (no.)†	July	38.9	39.4	39.9	July	38.4	39.1	40.6
Average weekly earnings ($)†	July	283.19	283.68	268.13	July	324.10	326.88	319.52
Nonmanufacturing employment	July	151.0	150.8	148.7	July	143.1	143.8	142.6
Unemployment rate (%)	July	7.8	7.7	5.7	July	11.3	11.8	6.4
Unemployment–married males (%)	July	5.1	4.9	2.8	–	–	–	–
Continued unemployment claims	–	–	–	–	July	743.4	649.4	260.5
PRODUCTION								
Bituminous coal production	June	150.5	143.1	136.1	–	–	–	–
Industrial electricity production	Apr.	154.4	135.4	159.9	–	–	–	–
Industrial electricity sales	–	–	–	–	July	150.4	147.1	175.8
Manufacturing production	July	137.2	139.8	154.1	July	138.5	141.1	157.8
Raw steel production	–	–	–	–	July	63.6	66.9	112.1
CONSTRUCTION								
Construction activity–total	June	277.6	284.2	291.4	July	208.0	214.7	342.8
Residential housing starts	July	98.5	94.0	137.3	July	74.9	63.4	128.4
Residential expenditures	June	296.2	308.8	384.9	July	178.1	175.0	375.0
Nonresidential expenditures	June	268.4	272.1	245.7	July	250.1	246.6	191.1
Public expenditures	June	203.5	210.5	182.0	–	–	–	–
Public works and utilities	–	–	–	–	July	181.7	204.2	575.9
OTHER INDICATORS								
							79:4	79:1
Personal income per capita ($)	June	9,375.8	9,335.2	8,636.6	1980:1	9,159.00	8,977.00	8,387.00
Passenger car sales (thousands)†	July	772.0	702.0	885.0	June	15.0	14.9	22.9
Year to date (thousands)	July	5,427.0	4,655.0	6,572.0	June	100.4	85.4	136.8

*Current indicators are preliminary and subject to revision
†Not seasonally adjusted

SOURCES: Data on Indiana construction from McGraw-Hill Information Systems Company; Indiana passenger car registration from R. L. Polk & Co.,; indexes of raw steel production for the United States and Indiana courtesy of American Iron and Steel Institute, Washington, D.C.; all other data from U.S. and Indiana government agencies and Division of Research, School of Business, Indiana University.

INDIANA LOCAL INDICATORS

(Seasonally adjusted indexes; base period: 1967 = 100)

	Continued Unemployment Claims			*Industrial Electricity Sales*		
Reporting Cities	*July 1980*	*June 1980*	*July 1979*	*July 1980*	*June 1980*	*July 1979*
Anderson	999.7	1,456.6	242.8	47.1	43.4	134.2
Bedford	396.0	288.2	127.6	201.2	190.5	248.4
Bloomington	326.7	359.0	195.5	93.9	87.4	82.6
Columbus	629.6	539.9	96.1	147.2	152.1	169.5
Connersville	417.9	804.2	179.7	97.2	97.5	112.3
Crawfordsville	2,334.0	2,002.7	676.9	170.2	170.5	190.4
East Chicago	243.2	705.8	163.8	89.0	78.4	80.9
Elkhart	1,270.9	1,560.9	807.7	170.3	147.1	163.7
Evansville	275.7	320.9	106.9	130.7	139.2	142.5
Fort Wayne	495.7	521.7	149.1	108.5	90.9	114.3
Frankfort	1,561.8	1,737.2	519.8	178.7	153.3	163.7
Gary	344.3	295.0	108.1	114.0	116.4	171.3
Goshen	–	–	0.0	176.2	164.9	213.9
Hammond*	–	–	0.0	195.7	196.1	199.4
Huntington	1,101.7	801.3	314.8	136.4	140.9	137.6
Indianapolis	108.8	109.7	57.0	152.0	145.5	151.9
Jeffersonville	–	–	0.0	162.4	163.0	159.6
Kokomo	1,258.0	1,065.6	450.4	187.1	158.0	231.3
Lafayette	981.3	893.0	320.4	273.1	267.5	298.7
LaPorte	1,038.5	1,050.0	289.6	212.1	191.7	206.1
Logansport	818.0	656.5	128.2	175.8	148.0	199.2
Madison	755.0	656.9	342.4	112.5	122.9	134.6
Marion	1,090.0	1,065.0	223.9	117.2	100.6	123.0
Michigan City	831.7	782.3	240.5	186.3	438.1	734.0
Muncie	484.9	382.9	136.3	101.5	87.3	121.2
New Albany	723.2	700.5	389.3	104.6	114.3	115.7
New Castle	862.5	761.0	307.7	121.4	108.6	134.8
Peru	618.0	541.5	159.6	182.3	184.6	225.8
Richmond	544.2	635.3	268.7	128.6	112.9	136.3
Seymour	981.9	886.1	168.6	161.9	153.2	158.1
South Bend	557.0	644.4	204.6	128.2	116.7	124.8
Terre Haute	573.2	462.0	211.1	171.3	182.4	192.9
Valparaiso	–	–	0.0	213.1	200.3	201.9
Vincennes	314.1	361.5	103.0	91.0	108.6	153.3
Wabash	1,331.8	1,361.9	244.3	127.7	141.6	189.8

*Continued unemployment claims of East Chicago and Hammond are combined.

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